

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## China - Peoples Republic of

**Post:** Beijing

### US Sorghum Exports Show Success of USDA Marketing Programs

**Report Categories:**

Export Accomplishments - Other

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**Report Highlights:**

The first commercial shipments of U.S. sorghum, valued at around \$34 million, arrived in China this October as a favorably priced substitute for corn in animal feed. Including the October shipments, a total 20 shiploads are reportedly destined for future delivery in China. Post now estimates that China's MY2013/14 sorghum imports will reach 2 million tons, up 300 percent from MY2012/13, based on robust demand for sorghum in animal feed. USDA's market development programs played a pivotal role in creating this new export opportunity for U.S. farmers.

**Executive Summary:**

The first commercial shipments of U.S. sorghum, valued at around \$34 million, arrived in China this October as a favorably priced substitute for corn in animal feed. Including the October shipments, a total 20 shiploads are reportedly destined for future delivery in China. Post now estimates that China's MY2013/14 sorghum imports will reach 2 million tons, up 300 percent from MY2012/13, based on robust demand for sorghum in animal feed. USDA's market development programs played a pivotal role in creating this new export opportunity for U.S. farmers.

**General Information:**

China's livestock production is rapidly growing in scale and modernization. The consolidation of many small producers into larger sized operations that utilize modern production techniques is increasing efficiencies and producing higher-quality products. One important component of maintaining this quality production is a standardized diet balanced to meet the metabolic needs of the animal. Corn and corn derivatives are traditionally used as the primary energy source in animal rations in China. However, other grains, such as wheat and sorghum, can be substituted for corn so long as the metabolic requirements of the animal are met.

USDA Foreign Agricultural Services' Market Access Program (MAP), Foreign Market Development Program (FMD) and Emerging Markets Program (EMP) played an instrumental role in setting the stage for sorghum's substitution for corn in China's feed rations. In the early 2000's, the U.S. Grains Council (USGC) used these programs to began advocating the benefits of grain sorghum as a cost-effective alternative to corn in swine rations at two demonstrations farms in China. The positive results of this study were disseminated across China via a number of educational seminars. USGC's efforts, supported by USDA marketing programs, helped animal farm operators in China incorporate a broader range of energy sources in animal rations. This work set the stage for the historic U.S. sorghum exports to China.

FAS's Agricultural Trade Office in Guangzhou also provided important support to U.S. sorghum exports by supporting efforts to promote sorghum's potential in feed and working closely with Chinese quarantine officials to manage entry of the shipments (see GAIN report CH11891).

**Outlook**

Greater awareness of sorghum's substitutability for corn amongst livestock producer increases sorghum's demand prospects. Furthermore, while corn imports face strict quota restrictions, sorghum has no import limits. Post now estimates that China's MY2013/14 sorghum imports will reach 2 million tons, up 300 percent from MY2012/13, based on robust demand for sorghum in animal feed. Ongoing investment in operator education, in-country research and demonstration and market promotion through USDA's MAP, EMP, and FMD programs will be important to continuing the current momentum.